

ENVIRONMENTAL SERVICES ADVISORY COMMITTEE (ESAC)

Thursday, May 14, 4:00 PM

Hybrid Meeting

Legal Action Report and Meeting Minutes

Approved on [*]

1. Call to Order/Roll Call

The meeting was called to order by Chairperson Kris Yarter at 4:06 PM.

Those present and absent were:

Present:

Kris Yarter, Chairperson
Margot Garcia
Trevor Anthony Ledbetter
Douglas Jennings
Alfredo "Fred" Araiza
Polly Parks
Chuck Ray

Representative, City Manager's Office
Representative, City Manager's Office
Representative, City Manager's Office
Representative, City Manager's Office
Representative, Ward 2
Representative, Ward 5
Representative, Ward 6

Absent:

Halley Hughes

Representative, City Manager's Office

Staff Members Present:

Carlos A. De La Torre
Isaac Marcor
Frank Bonillas
Brittany Aldrich
Nadia Ispiani

Director, Environmental Services
Finance Manager, Business Development Services
Administrator, Environmental Services
Staff Assistant, Environmental Services
Executive Assistant, Environmental Services

Community Members Present:

Val Little

Committee members, staff, community members attended the meeting virtually via Zoom.

2. Chairperson's Report

Chairperson Yarter reminded the committee that there are vacancies on ESAC and encouraged members to identify individuals who may be interested in serving on the committee. She noted that she sent letters to City Council members reminding them that they need to appoint representatives to ESAC. The committee discussed the membership requirements and current vacancies, including vacancies associated with Wards 1, 3, and 4. She also clarified that a prospective member does not necessarily need to live in the specific ward to be nominated but must live within the City. Ms. Little expressed interest in joining ESAC and discussed the appointment process and available vacancies.

Bylaws Update and Approval, the committee then reviewed proposed updates to the ESAC bylaws to reflect changes to the applicable city ordinances adopted on August 8, 2023, and March 18, 2025. The revisions addressed member terms, quorum requirements, and references to the most current edition of Robert's Rules of Order.

A motion was made by Chairperson Kris Yarter to accept the updated bylaws. The committee confirmed that the revised document incorporated the changes reviewed with the City Attorney's Office. Motion passed unanimously.

3. Director's Report

Carlos A. De La Torre, Director, reported on the following items:

Mr. De La Torre provided an update on the fuel surcharge, noting that most of the department's collection fleet operates on CNG, while only a small portion uses diesel. Because CNG fuel costs are largely secured through long-term contracts and have not significantly fluctuated, the department has not adjusted the fuel surcharge. Mr. De La Torre noted that additional analysis could be conducted regarding diesel and red diesel costs, but the potential revenue impact is expected to be limited.

Ms. Garcia asked whether diesel is primarily used for support vehicles or also for heavy landfill equipment. Mr. De La Torre explained that only a small number of collection vehicles use diesel, while landfill equipment uses red diesel. He noted that red diesel costs have increased significantly and that the department has not yet calculated the overall financial impact. Mr. Ray asked about the difference between red diesel and regular diesel. Mr. De La Torre explained that the primary difference is the absence of road taxes on red diesel.

Mr. De La Torre reported that the ByFusion facility is nearing completion. A final walkthrough was completed, power has been connected, and the City is working toward obtaining the final certificate of occupancy. The City is also coordinating permits, equipment installation, transfer of materials, and a long-term lease agreement.

Mr. Ray asked how water generated by the ByFusion process would be handled. Mr. De La Torre explained that the water would be combined with leachate and managed within the landfill through the existing leachate management process. Ms. Parks asked about the timeline for ByFusion to become operational. Mr. De La Torre explained that some electrical and mechanical connections are still required, with the goal of being fully operational by July.

Ms. Parks asked whether the current orange/Hefty Renew bags would still be required once ByFusion begins operations. Mr. De La Torre explained that this is still under discussion. The City will continue to work with ByFusion and Hefty Renew to establish acceptable materials and collection requirements as the operation develops. Mr. Ray asked about the amount of material currently stored for ByFusion. Mr. De La Torre reported that approximately 130 tons are currently in storage, while the planned equipment has the capacity to process approximately 200 tons per month.

Ms. Garcia asked whether ByFusion may eventually accept material from other communities. Mr. De La Torre explained that ByFusion intends to pursue additional customers and diversion opportunities, including discussions with Costco, while ensuring the material mix is appropriate for the facility's equipment. Mr. Ledbetter asked whether ByFusion would be able to process vinyl banners and similar materials. Mr. De La Torre stated that he would confirm whether those materials can be accepted. Mr. De La Torre indicated that a ByFusion ribbon-cutting event is tentatively anticipated for late August or early September.

4. Financial Monthly Report

Isaac Marcor, Finance Manager, reported on the following items:

Mr. Marcor presented the FY2026 financial forecast for Fund 502, based on financial information through April 30, 2026. Total revenues are projected to exceed the revised budget by approximately \$2.5 million, primarily due to higher residential and landfill service charge revenues. Self-haul revenues are projected below budget. Overall expenditures are projected below budget, with personnel costs approximately \$1.2 million under budget, primarily due to vacancies. Capital outlay is projected above budget due largely to replacement vehicles and equipment. The FY2026 budget is approximately \$73.6 million, with expenditures projected at approximately \$70.2 million, resulting in an estimated \$8 million increase in fund balance.

Mr. Ray asked about the projected revenue increase and how the anticipated \$8 million surplus would be handled. Mr. Marcor clarified that revenues are projected to be approximately \$2.5 million above budget and explained that the surplus will roll into the fund balance, providing additional capacity for future capital needs without creating additional budget authority.

Mr. Ray asked whether potential EPA remediation costs would be funded through capital projects. Mr. Marcor explained that gas extraction wells and related equipment are included in the capital program, with approximately \$2.75 million budgeted for FY2027. Ms. Garcia added that a portion of the fund balance is also allocated to the closure fund for future landfill closure and post-closure obligations.

Mr. Marcor also reviewed expenditures by program area, noting that higher capital outlay was primarily related to replacement equipment, including approximately \$3 million in additional equipment costs at Los Reales, while Capital Improvement Projects are projected significantly below budget.

Ms. Parks asked about the significant reduction projected for Brush and Bulky expenditures. Mr. Marcor explained that the projection is generally consistent with historical spending but will conduct a further review to identify the specific factors contributing to the variance. Ms. Yarter asked whether the cost of the on-demand service study was included in the Brush and Bulky expenditures. Mr. Marcor

stated that he would verify where the study cost was recorded and provide an update to the committee.

5. Subcommittee Reports, Appointments, Meeting Dates, and Assignments

a. Waste Diversion, Collections, and Education

Mr. Ledbetter provided updates on fee increases, the MRF report, landfill compliance, green waste, and other items outlined in the agenda.

6. Future Agenda Items for Next Meeting dated July 9, 2026

(Note: June meeting was canceled)

Future agenda items are as follows:

- Update on LRSC Gas Collection System Update

7. Call to the Audience – No audience.

8. Adjournment – The meeting was adjourned at 5:19 PM.